

Sah - South African Coal Mining Holdings Limited - Lifting Of Suspension Of

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SAH - South African Coal Mining Holdings Limited - Lifting of suspension of shares on JSE trading update SRP appeal committee hearing
South African Coal Mining Holdings Limited
(Incorporated in the Republic of South Africa)
Registration number 1994/009012/06
Share code: SAH ISIN: ZAE000102034
("SACMH" or "the company")

LIFTING OF SUSPENSION OF SHARES ON JSE

TRADING UPDATE

SRP APPEAL COMMITTEE HEARING

1 LIFTING OF SUSPENSION

The trading of shares of the company on the JSE Limited ("JSE") was suspended in early 2009 after the annual financial results of the company for 2008 were not released timeously. The company's auditors had raised doubts whether the business was a going concern and needed assurances that the business would be able to fund its operations in the short term. This requirement had a potential adverse impact on the audit opinion to be issued. This clearly reflected the distressed situation the company was in and shortly thereafter, the company entered into a care and maintenance programme. After an initial capital injection by JSW Energy Limited (subsequent to their investment into Royal Bafokeng Capital) in the second quarter of 2010, the annual financial statements for 2008 and 2009 were produced and audited without any qualification. The annual financial statements were released and subsequently approved by shareholders. On 2 February 2011 the company applied to the JSE for the lifting of the suspension of the company's shares on the JSE. The JSE approved the application on 17 March 2011. It is anticipated that the lifting will be effected at the commencement of trading on Friday, 25 March 2011.

2 BUSINESS OVERVIEW

SACMH owns the Ilanga and Umlabu mines near Witbank, and a property more fully described on pages 19 to 21 of the circular to shareholders dated 26 November 2010.

The Umlabu mine was taken out of care and maintenance on 1 October 2010 when production at the colliery resumed. Operations are at an early stage and production is being increased in line with a concomitant investment in the wash plant. Plant capacity is being optimized to a monthly capacity of 125 000 tons over the next 4 months. A new life of mine plan is currently being drafted on the back of new drilling information and updated mineral resource estimates. The key reason for this is to improve the confidence in the mineral resource.

In addition, mining a thin coal seam requires a more granular and defined mine plant and concomitant management of the mining activities therewith. The SACMH business is principally an export driven operation and the key constraints on the business reaching its potential are logistical, especially in respect of rail capacity to Richards Bay Coal Terminal (RBCT). Currently the physical capacity allocated to SACMH in the RBCT channel is 22,116 tons per month.

3 HISTORICAL FINANCIAL INFORMATION

The unaudited results of SACMH and its subsidiaries for the six months ended 30 June 2010 and 30 June 2009, as well as the audited results for the twelve months ended 31 December 2009, were published on 6 August 2010 and are set out in Annexure 1 of the circular to shareholders dated 26 November 2010.

4 TRADING UPDATE

In terms of the Listings Requirements of the JSE Limited ("JSE"), companies are required to publish a trading statement as soon as they are satisfied that a reasonable degree of certainty exists that the financial results for the period to be reported on will differ by 20% or more from the financial results for the previous corresponding period. Shareholders are advised that SACMH is currently finalising its results for the twelve months ended 31 December 2010. The earnings per share and headline earnings per share for the comparable period ended 31 December 2009 were a loss of 7.08 cents per share and 21.19 cents per share respectively. For the twelve months ended 31 December 2010 the loss and headline loss per share are expected to be between 10 cents and 12.5 cents per share. The financial information on which this trading statement is based has not been reviewed by SACMH's auditors.

5 FINANCIAL RESULTS AND FUNDING

The company expects to release its provisional results for the financial year ended 31 December 2010 before the end of March 2011. The said results will inter alia include the prospects and commentary on the financial position of the company. Currently, the company is reliant on JSW for all funding including short and long term requirements. It is expected this will change as the company builds up a new trading record and progress has been made with bankers on, in particular, short term funding facilities.

6 BOARD OF DIRECTORS

The Board of directors currently comprises the following:

T V Mokgatlha (36) - Chairman

Mr Mokgatlha, a chartered accountant (SA), is Group Treasury and Corporate Business Executive at the Royal Bafokeng Nation group of companies. He provides

executive, consulting and advisory services to the group and is a member of a

number of boards, such as Impala Platinum Holdings and Royal Bafokeng Holdings (Pty) Limited.

A J L Rayment (49) - Chief Executive Officer

Mr Rayment was, until recently, head of the India Desk of Standard Bank Group -

Corporate and Investment Banking. Up to September 2007 he was Head - Investment

Banking India at Rand Merchant Bank. Mr Rayment had fulfilled various management

positions before becoming Head of Corporate Finance at Pannell Kerr Forster. In

September 2001 he became Head of Mergers and Acquisitions at Ernst and Young

Corporate Finance, a position which he held until March 2005 when he moved to London.

DGA Miller (48) - Chief Financial Officer

Mr Miller, B. Com, Dip. Acc, CA (SA) was appointed as financial director with

effect from 1 October 2010. He has been the financial director of various private companies over the past 15 years.

V P Garg (50) - Non-executive Director

Mr VP Garg is a qualified Chartered Accountant (B. Com. A.C.A.) and serves as

Vice President (Commercial) of JSW Energy Natural Resources India. He has 23

years of extensive experience in the steel and energy industries in a wide array

of business aspects including project evaluation, EXIM bank financing, financial

closure of steel projects, sourcing and shipping of bulk raw materials. He strategises the acquisition of overseas coal mining assets besides co-ordinating

the operation of JSW group mines in Indonesia and South Africa.

V Lickfold (43) - Independent non-executive Director

Dr Lickfold holds a PhD, MSc and BSc (Hons) in Economic Geology. She is currently the Head of Geosciences for Kumba Iron Ore and has been in that position since July 2006, Besides being a Fellow of the Geological Society of

South Africa and the Society for Economic Geologists, she was on the SAMREC Code

(The South African code for the reporting of exploration results, mineral resources and mineral reserves) working-group from 2005 to 2009.

L M Ndala (36) - Non-executive Director

Mr Ndala, a chartered accountant (SA), is Director - Group Finance of Royal Bafokeng Holdings (Pty) Limited. He manages group financial activities, financial reporting, risk management, IT, group tax and procurement. He serves

on various boards such as Royal Bafokeng Holdings, MB Technologies, DHL Express,

SACMH, Senwes (alternate) and Atterbury Investment Holdings.

All directors are South African citizens, with the exception of Mr Garg, who is

a citizen of India.

7 REGISTERED OFFICE AND COMPANY SECRETARY

The company's office is currently situated at 2nd Floor, 198 Rivonia Road, Illovo, Sandton. It is in the process of applying for the changing of its registered address to the said address. Its postal address is PO Box 55190, Northlands, 2116. The telephone number is 011 025 3103/4 and the facsimile number is 086 636 0815

The company secretary is Mrs Patricia Smit, FCIS, B. Iuris. She has more than 20 years` experience as company secretary of listed and unlisted companies. She has

post graduate diplomas in Company Law and Corporate Governance.

8 MANDATORY OFFER AND SRP APPEAL

The mandatory offer by JSW Energy Natural Resources South Africa (Proprietary)

Limited ("the Offeror") to all the remaining shareholders of SACMH at 30 cents

per share, plus a possible additional amount per share to shareholders who accept the offer, under circumstances as set out in paragraph 3.2.3 of the offer, closed at noon on Friday, 18 February 2011.

Shareholders holding 137 401 108 SACMH shares accepted the offer.

Consequently

the Offeror directly and indirectly, through its shareholding in Royal Bafokeng

Capital, owns 269,163,578 SACMH shares, constituting 59.49% of the issued share

capital of SACMH.

The Securities Regulation Panel ("SRP") Appeal Committee heard the appeal by the

Offeror against the ruling of the SRP in respect of the offer price on 26 January 2011. Further written submissions were made and the outcome is awaited.

25 March 2011

Johannesburg

Directors : TV Mokgatlha (Chairman), VP Garg (Non-Executive), LN Ndala (Non-

Executive), Dr V Lickfold (Independent Non-Executive), AJL Rayment (CEO), DGA

Miller (CFO)

Registered Office: 6 Taute Street, Ermelo, 2351

Company Secretary: Pat Smit

Transfer Secretary: Computershare Investor Services (Pty) Ltd

Sponsor: Exchange Sponsors (2008) (Pty) Ltd

Auditors: Deloitte & Touche

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